

INDUSTRY UPDATE

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Phoenix Metro Area

Construction

Ryan Cos. broke ground in early February on a new **20-story headquarters for Phelps Dodge Corp.** in downtown Phoenix. About 200 of Phelps Dodge's employees will work at the 407,000-square-foot high-rise located at Washington Street and Central Avenue. This is the second major office building currently under construction in downtown Phoenix. The 23-story Bank of America Building is being built by Opus West as part of the Collier Center project.

Construction is under way on the \$40 million **San Tan Corporate Center**, Chandler's first high-end office development. The 250,000-square-foot, two-building complex on the northwest corner of the Price Freeway (101) and Ray Road will be built in two phases. The **first phase:** a three-story, 125,000-square-foot building that will be ready for **occupancy this summer.**

Services

Most fairy tales have happy endings, but for a **majority of the 320 workers** at Phoenix-based **Fox Animation Studios** it must have seemed like a nightmare when they learned in early February they would **lose their jobs.** After only five years in the Valley, Fox Animation Studios decided to contract out most of its production work to studios throughout the world in order to streamline costs and enable it to produce more films. Only a "core" creative team will remain at its Phoenix studio. Much hoopla was made when Fox moved its animation studios from California to Phoenix because of the lower cost of operating in Arizona.

The Chandler City Council gave the go-ahead to a **44-bed women's hospital** that will spe-

cialize in **child delivery and breast-cancer testing.** A group of 15 east Valley obstetricians/gynecologists will be minority owners in the \$23 million facility at **Ray Road and the Price Freeway** that is expected to open in **late spring or early summer of 2001.** MediSphere Health Partners of Nashville, Tenn., will be the majority owner.

American Healthways plans to **hire up to 170 nurses** and other types of **health-care workers** to take calls from chronically-ill members of CIGNA HealthCare and Mutual of Omaha. The "high-end" call center, which will focus primarily on patients with diabetes, will be located at **Interstate 10 and Ray Road.** The goal of the Nashville, Tenn., company is to cut down on insurers' and clients' costs (e.g., emergency room and doctor visits, lost productivity), estimated at \$98 billion annually.

Trade

Wal-Mart won approval from the city of Mesa to build a "**supercenter**" on the southeast corner of **McKellips and Greenfield roads**, after three earlier attempts on different corners of the intersection had been turned down. Despite vocal opposition to the combined department and grocery store, the Mesa City Council approved the 224,000-square-foot store in a retail center that will also include three restaurants. Area residents vowed to take the issue to voters via an initiative. If opponents are unable to get an initiative on the ballot, however, the store is expected to **open in about 15 months** and employ an estimated 400 people.

Tucson Metro Area

Manufacturing

Raytheon Missile Systems will **likely hire**

additional workers in the near-term at its **Tucson hub**, according to a story in *The Arizona Daily Star*. The report was based on a meeting between officials of Raytheon Corp. and stock analysts, at which the Massachusetts-based company said it planned "to concentrate its efforts on its money-making units such as missiles, defense electronics and aircraft." Almost all of Raytheon's missile employment is based in Tucson, where about 2,000 engineers were hired last year, in addition to 900 workers who transferred to the Tucson facility from plants in Texas and Massachusetts. The company would not comment on potential employment growth.

Services

Lower reimbursement payments from federal and state health-care programs and cutbacks by managed-care insurance plans have contributed to an economically unhealthy Tucson hospital sector. In the past year, **hundreds of employees** have been **let go by the largest hospitals in Pima County**, and the outlook is not looking good into the near-future. **Tucson Medical Center**, which laid off 70 workers in November and posted a \$7 million loss for 1999, recently issued a statement that it is considering reorganizing its operations, which **may include more staff reductions**. University Medical Center, which laid off 125 workers and cut 100 vacant positions in '99, lost \$4.5 million in its latest fiscal year. And Carondelet Health Network, the parent company of St. Joseph's and St. Mary's hospitals, had to cut 400 positions last spring to avoid losing \$25 million. Carondelet ended up posting a small profit. And finally, **Kino Community Hospital**, which serves many of the area's poor, is **planning to cut 33 of its 740 positions**. The hospital, which has been ordered by the Pima County Board of Supervisors to overhaul its operations, is \$40 million in debt.

Balance of State

Services

A former resident of Prescott Valley has re-

turned to his home town to open up a data-networking company called **Pinnacle Peak Communications** that is **expected to hire 200 people by 2001**. An author of three books on computer networking, 1978 Bradshaw Mountain H.S. graduate Tim Gendreau recently opened up shop in the **County Bank Building** (2825 N. Glassford Hill Road) after putting his initial dozen employees through a 12-week training course. The exact nature of the business is being kept secret, but the company uses more than 50 computers on a high-speed telephone network to communicate with clients throughout the world. **Gendreau said** his company is paying **wages competitive with the Phoenix-area market**.

Manufacturing

A company that produces mattresses for hospitals plans to **double** its **Lake Havasu City workforce of 20** after it moves into a 50,000-square-foot warehouse. Tennessee-based **Jamison Bedding**, which expects to move into their new facility within two months, currently employs 300 people at four U.S. plants.

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